

AMENDED IN SENATE JULY 15, 2003

AMENDED IN SENATE JUNE 30, 2003

AMENDED IN SENATE JUNE 18, 2003

AMENDED IN ASSEMBLY APRIL 28, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1214**

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**Introduced by Assembly Member Firebaugh  
(Coauthor: Assembly Member Levine)**

February 21, 2003

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An act to add and repeal Section 2827.10 of the Public Utilities Code, relating to energy resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 1214, as amended, Firebaugh. Net energy metering: fuel cell customer-generators.

(1) Existing law, until January 1, 2006, requires electrical corporations, as defined, to provide eligible biogas digester customer-generators, as defined, with net energy metering, as defined, under a pilot program.

This bill, until January 1, ~~2009~~ 2006, would require every electrical corporation, as defined, to provide net energy metering, as defined, for eligible fuel cell customer-generators, as defined, until the total cumulative rated generating capacity used by the eligible fuel cell customer-generators equals ~~75~~ 45 megawatts within the service territory of the electrical corporation for an electrical corporation with a peak demand above 10,000 megawatts, or equals 22.5 megawatts

within the service territory of the electrical corporation for an electrical corporation with a peak demand of 10,000 megawatts or below. The bill would prohibit the combined statewide cumulative rated generating capacity used by the eligible fuel cell customer-generators in the service territories of all electrical corporations from exceeding ~~172.5~~ 112.5 megawatts. Because a violation of these provisions would be a crime under existing law, this bill, by establishing a new crime, would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1    ~~SECTION 1. Section 2827.10 is added to the Public Utilities~~  
2    ~~Code, to read:~~  
3    ~~2827.10. (a) The Legislature finds and declares both of the~~  
4    ~~following:~~  
5    ~~(1) A~~  
6    *SECTION 1. The Legislature finds and declares that a*  
7    *program to provide net energy metering for generation charges for*  
8    *eligible fuel cell customer-generators is one way to encourage*  
9    *substantial private investment in these energy resources, stimulate*  
10    *in-state economic growth, reduce demand for electricity during*  
11    *peak consumption periods, help stabilize California's energy*  
12    *supply infrastructure, enhance the continued diversification of*  
13    *California's energy resource mix, and reduce interconnection and*  
14    *administrative costs for electricity suppliers.*  
15    ~~(2) The net energy metering program authorized pursuant to~~  
16    ~~this section for eligible fuel cell customer-generators, which nets~~  
17    ~~electricity generated by an eligible customer-generator against~~  
18    ~~electricity supplied through the electric grid to that~~  
19    ~~customer-generator on a time-of-use basis, furthers the intent of~~  
20    ~~Chapter 7 of the Statutes of 2001, First Extraordinary Session, by~~  
21    ~~facilitating the implementation of energy efficiency programs in~~

1 ~~order to reduce consumption of energy, reduce the costs associated~~  
2 ~~with energy demand, and achieve a reduction in peak electricity~~  
3 ~~demand.~~

4 ~~(b)–~~

5 *SEC. 2. Section 2827.10 is added to the Public Utilities Code,*  
6 *to read:*

7 2827.10. (a) As used in this section, the following terms have  
8 the following meanings:

9 (1) “Electrical corporation” means an electrical corporation,  
10 as defined in Section 218.

11 (2) “Eligible fuel cell electrical generating facility” means a  
12 facility that includes the following:

13 (A) Integrated powerplant systems containing a stack, tubular  
14 array, or other functionally similar configuration used to  
15 electrochemically convert fuel to electric energy.

16 (B) An inverter and fuel processing system where necessary.

17 (C) Other plant equipment, including heat recovery equipment,  
18 necessary to support the plant’s operation or its energy conversion.

19 (3) “Eligible fuel cell customer-generator” means a customer  
20 of an electrical corporation that meets all the following criteria:

21 (A) Uses a fuel cell electrical generating facility with a capacity  
22 of not more than one megawatt that is located on or adjacent to the  
23 customer’s owned, leased, or rented premises, is interconnected  
24 and operates in parallel with the electric grid while the grid is  
25 operational or in a grid independent mode when the grid is  
26 nonoperational, and is sized to offset part or all of the eligible fuel  
27 cell customer-generator’s own electrical requirements.

28 (B) Is the recipient of local, state, or federal funds, or who  
29 self-finances projects designed to encourage the development of  
30 eligible fuel cell electrical generating facilities.

31 (C) Uses technology that meets the definition of an  
32 “ultra-clean and low-emission distributed generation” in  
33 subdivision (a) of Section 353.2.

34 ~~(4) “Net energy metering” means measuring the difference~~  
35 ~~between the electricity supplied through the electric grid and the~~  
36 ~~electricity generated by an eligible fuel cell customer-generator~~  
37 ~~and sent to the electric grid as described in subdivision (e). Net~~  
38 ~~energy metering shall be accomplished using a time-of-use meter~~  
39 ~~capable of registering the flow of electricity in two directions. If~~  
40 ~~the existing electrical meter of an eligible fuel cell~~

~~customer-generator is not capable of measuring the flow of electricity in two directions, the eligible fuel cell customer-generator shall be responsible for all expenses involved in purchasing and installing a meter that is able to measure electricity flow in two directions. If an additional meter or meters are installed, the net energy metering calculation shall yield a result identical to that of a single time-of-use meter.~~

~~(e)–~~

(4) “Net energy metering” has the same meaning as that term is defined in Section 2827.9

(b) Every electrical corporation shall, not later than March 1, 2004, file with the commission a standard tariff providing for net energy metering for eligible fuel cell customer-generators, consistent with this section. Every electrical corporation shall make this tariff available to eligible fuel cell customer-generators upon request, on a first-come-first-served basis, until the total cumulative rated generating capacity used by the eligible fuel cell customer-generators equals ~~75~~ 45 megawatts within the service territory of the electrical corporation for an electrical corporation with a peak demand above 10,000 megawatts, or equals 22.5 megawatts within the service territory of the electrical corporation for an electrical corporation with a peak demand of 10,000 megawatts or below. The combined statewide cumulative rated generating capacity used by the eligible fuel cell customer-generators in the service territories of all electrical corporations in the state may not exceed ~~172.5~~ 112.5 megawatts.

~~(d)–~~

(c) In determining the eligibility for the cumulative rated generating capacity within an electrical service area, preference shall be given to facilities which, at the time of installation, are located in a community with significant exposure to air contaminants or localized air contaminants, or both, including, but not limited to, communities of minority populations or low-income populations, or both, based on the ambient air quality standards established pursuant to Section 39607 of the Health and Safety Code.

~~(e)–~~

(d) Each net energy metering contract or tariff shall be identical, with respect to rate structure, all retail rate components, and any monthly charges, to the contract or tariff to which the

customer would be assigned if the customer was not an eligible fuel cell customer-generator. Any new or additional demand charge, standby charge, customer charge, minimum monthly charge, interconnection charge, or other charge that would increase an eligible fuel cell customer-generator's costs beyond those of other customers in the rate class to which the eligible fuel cell customer-generator would otherwise be assigned are contrary to the intent of the Legislature in enacting the act adding this section, and may not form a part of net energy metering tariffs.

~~(f)~~

(e) The net metering calculation shall be carried out in accordance with ~~subdivision (h) of Section 2827~~ *Section 2827.9*.

~~(g)~~

(f) This section shall remain in effect only until January 1, 2009 2006, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2009 2006, deletes or extends that date.

~~SEC. 2.~~

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.